



Supplier Diversity Landscape

Companies that invest in supplier diversity programs and support the development of diverse suppliers see meaningful business improvements



Supplier Diversity is gaining momentum

Supplier diversity programs are increasingly gaining attention as ESG gains prominence and programs mature to various inflection points. However, the needle is slow moving over the past few decades of efforts with single digit average spend with certified diverse suppliers.

We believe that there is a need to closely align supplier diversity programs to corporate and ESG strategy and add rigor to measuring the impact of a diverse supply base in driving business results and community uplift. Building the right implementation tools and enabling supplier diversity resources can lead to real impact.



Market Indicators

79% of CPOs want to lock-in the benefits of an agile supply chain that Minority Business Enterprises (MBE) offer post pandemic disruption experience

2.2M jobs created or preserved by MBEs

85% of Fortune 500 have supplier diversity initiatives

>\$50 B in diverse spend committed by Fortune 200 companies over next 10 years

8M minority owned companies in the US



Successful supplier diversity programs are centered around value that is directly connected to the business's growth strategy

Prominent and established supplier diversity corporate programs in various industry sectors

| | | | |
|---|--|---|---|
| Automotive General Motors* Ford* Toyota Stellantis | TMT IBM* AT&T* Verizon Dell Microsoft Apple | C&R Walmart CVS P&G Target | Other Boeing (Aerospace) J&J (Healthcare) Kaiser Permanente (Healthcare) UPS (Delivery/Logistics) BoA (Financial Services) JPMC (Financial Services) |
|---|--|---|---|

* Indicates the first corporate SD programs; established in 1968.



Inclusive procurement widens the potential supplier pool and promotes competition in the supply base improving product quality and cost reduction. Diverse sourcing options make supply chains more resilient and agile—most CPOs are making this a priority.”



With 25%-45% of revenues coming from product innovation and up to 65% of innovations sourced externally through external partners and suppliers, supplier diversity represents a treasure trove of opportunity that needs to be opened.”

Benchmark KPIs

Best in class leaders have shown to have more efficient procurement process and double-digit impact on key business metrics

7.5%

Average spend with certified small or diverse suppliers

17.8%

Best in class average small or diverse suppliers

\$1.4

Trillion supplier spend in 2023 (representative 455 companies)

30%

Include Tier 2 diversity clauses with prime suppliers

54%

Track Tier 2 diversity spend

38%

Provide support to prime suppliers to increase their own supplier diversity

KPMG – Supplier Diversity Value

Our Approach


- We provide you with the blueprint you need to develop a strategy and take it through an accelerated implementation
- By focusing on your Functional Processes, People, Service Delivery Model, Technology, Performance Insights, Data, and Governance, we ensure a holistic approach towards an integrated operating model
- Our approach includes gaining an understanding of benchmarks, program maturity assessment, desired state operating model and data driven impact measurement to establish roadmaps to success
- Leading practice methodologies and a toolbox of assets and accelerators positions us to be a valuable collaborator throughout your journey to align your Supplier Diversity goals with your overall ESG strategy

Our capabilities


| Strategy | Gap Analysis | Implementation |
|---|---|--|
| Vision and Mission | Leading Practices Scan | Monitor and Report |
| <ul style="list-style-type: none"> • Inception strategy – Purpose, Mission, Focus tied to business-critical objectives • C-Suite and Board governance structure • Establish operating model inclusive of supplier diversity program • Supplier Diversity Qualitative Review of ESG Reports and Impact Plans | <ul style="list-style-type: none"> • Gap to diversity goal assessment • Diverse supplier spend opportunity identification Tier 1, 2, 3 • Supplier Diversity Certifications Verification • Tier 1, Tier 2 and Tier 3 Supplier Metrics and KPIs • Supplier Diversity Contract Clause Gap Analysis • Inclusive Sourcing Gap Analysis | <ul style="list-style-type: none"> • Diverse supplier vendor list, inclusive sourcing and contracting technology enablement • Implementation toolkits and KPI tracking tied to reporting <ul style="list-style-type: none"> • Supplier Insights • Tier 1 Certificate Dashboard • Diversity Dashboard • Tier 2 reporting views |

Our Team


Stay in Touch




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How we are tackling our own Supplier Diversity

25.4%

Of total KPMG procurement spend with small and/or diverse-owned businesses (FY22).

Percent spend by business enterprise:

19.9%
Minority-owned

2.9%
Women-owned

1.6%
Veteran-owned

0.7%
Other/disability-owned

0.2%
LGBT-owned

We have increased our percentage of supplier diversity spend from 18.8% in FY20, a **35% increase**

